

FOODSTUFFS PRODUCTION

Exchange of notes at Caracas May 14, 1943

Entered into force May 14, 1943

Amended by agreement of May 14, 1945¹

Extended by agreements of May 13, 1944,² and May 14, 1945¹

Expired May 14, 1946

57 Stat. 1031; Executive Agreement Series 333

The American Chargé d'Affaires ad interim to the Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA
Caracas, May 14, 1943

No. 1321

EXCELLENCY:

Authorized by my Government I have the honor to confirm in this note that as a result of the conversations between Your Excellency and the Minister of Agriculture and Animal Husbandry of the United States of Venezuela on the one hand and this Embassy on the other, regarding the best way of organizing the development of foodstuffs production in Venezuela, and, consequently, of increasing the commercial and economic relations between the two countries, it has been agreed between the Government of the United States of America and the Government of the United States of Venezuela to execute a plan in accordance with the following clauses:

FIRST

The Government of the United States of Venezuela binds itself to create a special Office in the Technical Institute of Immigration and Colonization. The said Office which shall be denominated SERVICIO COOPERATIVO INTER-AMERICANO DE PRODUCCION DE ALIMENTOS (Inter-American Cooperative Food Production Service), and hereinafter will be referred to as S.C.I.P.A., will be under the direct supervision of the Ministry of Agriculture and Animal Husbandry. The S.C.I.P.A. shall be responsible for the execution of the food production plan to be formulated by the Ministry of Agriculture and

¹ *Post*, p. 1194.

² Not printed.

Animal Husbandry in collaboration with the Food Production Mission to be sent to Venezuela by the Institute of Inter-American Affairs of the United States of America.

SECOND ^a

The essential objective of the S.C.I.P.A. shall be the increased production in Venezuela of foodstuffs of vegetable and animal origin of primary necessity, and its activities shall include the following:

- a) Technical assistance for the improvement of the quality of the production of foodstuffs of animal and vegetable origin;
- b) Provision of means, tools, equipment, insecticides and other necessary items for the increase of production of foodstuffs of animal and vegetable origin;
- c) Amplification of the resources at the disposal of the Government of Venezuela for the development of production of foodstuffs of animal and vegetable origin, in order efficiently and harmoniously to adapt that production to modern agricultural techniques employed in Venezuela and in the United States;
- d) Development of plans, technical assistance and the execution of irrigation, drainage and soil conservation works;
- e) Collaboration in the solution of problems of handling, storage, conservation and distribution of foodstuffs;
- f) Technical and financial assistance for agricultural colonization; and
- g) Improvement in the nutrition of the inhabitants of the areas where the production plan is to be especially developed.

THIRD

The Institute of Inter-American Affairs of the United States of America shall appoint a Food Production Mission in order to lend its collaboration to S.C.I.P.A. in the development of the production plan referred to. The said Mission shall be under the direction of an expert who shall have the title of Chief of the Food Production Mission in Venezuela. This Chief Official shall be the representative of the Division of Food Production of the Institute of Inter-American Affairs in Venezuela.

FOURTH

The S.C.I.P.A. will be a dependency of the Technical Institute of Immigration and Colonization and the Chief of the Food Production Mission in Venezuela shall be the Technical Director of the S.C.I.P.A.

^a For an amendment of the second clause, see agreement of May 14, 1945, *post*, p. 1194.

FIFTH

The S.C.I.P.A. shall have its domicile in the city of Caracas, capital of the United States of Venezuela.

SIXTH ⁴

The necessary funds for the operation of the S.C.I.P.A. shall be provided within a period of one year through payments up to five hundred thousand dollars (\$500,000) on the part of the Government of the United States of America, and payments up to one million five hundred thirty thousand bolivares (Bs.1,530,000) on the part of the Government of the United States of Venezuela. The Government of the United States of America will also furnish additional sums up to five hundred thousand dollars (\$500,000) provided of course that this *modus vivendi* is extended for another year and that the Congress of the United States of Venezuela opportunely includes allotments in the General Revenue and Public Expenditures Budget permitting expenditure of an additional sum up to one million five hundred thirty thousand bolivares (Bs. 1,530,000) for the same purpose previously stated.

SEVENTH

The funds to be contributed by the Government of the United States of America shall be transferred to the S.C.I.P.A. as required by the progress of the work performed and according to agreement between the Minister of Agriculture and Animal Husbandry, the Director of the Technical Institute of Immigration and Colonization and the Chief of the Food Production Mission in Venezuela. The funds to be supplied on its part by the Government of the United States of Venezuela shall be transferred to the S.C.I.P.A. in proportion to the amounts provided by the Government of the United States of America, at the rate of three bolivares six centimes (Bs.3,06) per dollar.

EIGHTH

The contributions determined in clause six of this *modus vivendi*, after deducting cost of equipment, machinery and other effects supplied by both governments, shall be deposited in the Banco Agrícola y Pecuário, to the order of the Technical Institute of Immigration and Colonization, in the form of a special current account in the name of the S.C.I.P.A., which shall utilize them in the execution of the cited foodstuffs production plan. The mentioned account current must be used by means of checks jointly signed by the Director of the Technical Institute of Immigration and Colonization and by the Technical Director of the S.C.I.P.A., who shall comply strictly with the instructions or rules formulated to this effect in agreement with the Minister of Agriculture and Animal Husbandry.

⁴ For an amendment of the sixth clause, see agreement of May 14, 1945, *post*, p. 1195.

NINTH

The sum of five hundred thousand dollars (\$500,000) referred to in clause six of this *modus vivendi*, which must be integrally invested in the production of foodstuffs of primary necessity in Venezuela, shall constitute the total contribution of the Government of the United States of America, unless the conditions stipulated in said clause six are fulfilled, in which case the said total contribution shall be one million dollars (\$1,000,000). The sum of one million five hundred thirty thousand bolivares (Bs.1,530,000) also mentioned in said clause six, shall constitute the total contribution of the Government of the United States of Venezuela, unless the latter decides to prolong the duration of this *modus vivendi* for another year and include in the General Budget of Revenue and Public Expenditures allotments to allow the expenditure of an additional one million five hundred thirty thousand bolivares (Bs.1,530,000) in which case its total contribution would be three million sixty thousand bolivares (Bs.3,060,000).

TENTH

The salaries and other expenses of the members of the Food Production Mission in Venezuela, including travel expenses, shall be paid by the Institute of Inter-American Affairs from funds not assigned to the S.C.I.P.A.

ELEVENTH

All construction work which is to be carried out in accordance with this *modus vivendi*, shall, upon termination of the latter, become the property of Venezuela. No work whatsoever shall be undertaken which will require materials or personnel indispensable to the prosecution of any phase of the war effort.

TWELFTH ⁵

The work to be undertaken by the S.C.I.P.A. in the execution of the foodstuffs production plan shall be determined through mutual agreement between the Minister of Agriculture and Animal Husbandry or his representative and the Technical Director of the said Service.

THIRTEENTH

Any contract or agreement to be made by the S.C.I.P.A. with other entities or persons for the execution of the foodstuffs production plan must be previously discussed and agreed upon by the Minister of Agriculture and Animal Husbandry or his representative and the Technical Director of the S.C.I.P.A.

FOURTEENTH

The Director of the Technical Institute of Immigration and Colonization, with the previous approval of the Minister of Agriculture and Animal Husbandry and the Technical Director of the S.C.I.P.A. shall appoint the

⁵ For an amendment of the twelfth clause, see agreement of May 14, 1945, *post*, p. 1195.

subordinate personnel required for the full execution of the foodstuffs production plan, and likewise discharge said personnel, and determine their salaries and obligations in agreement with the Minister of Agriculture and Animal Husbandry and the Technical Director of the S.C.I.P.A.

FIFTEENTH

The accounts and files of the S.C.I.P.A. may be examined at any time by the persons designated for this purpose by the Minister of Agriculture and Animal Husbandry or the Chief of the Food Production Mission in Venezuela, to whom the S.C.I.P.A. shall make available, moreover, all of the information they may request.

SIXTEENTH

In view of the national interest involved in the intensification and development of the production of foodstuffs of primary necessity referred to in this *modus vivendi*, the Government of the United States of Venezuela agrees to exonerate from import duties the machinery, tools, vehicles, materials for the construction of buildings, repairs and other work required for the thorough execution of the plan of production of foodstuffs of primary necessity.

This note and Your Excellency's corresponding reply will constitute a *modus vivendi* for the duration of one year, and it may be extended for one year more by the simple statement of willingness of the Government of the United States of Venezuela.

Please accept, Excellency, the renewed assurance of my highest consideration.

JOSEPH FLACK
Chargé d'Affaires ad interim

His Excellency

Dr. CARACCIOLO PARRA PÉREZ,
Minister for Foreign Affairs,
Caracas.

*The Minister of Foreign Affairs to the American Chargé d'Affaires
ad interim*

[TRANSLATION]

OFFICE OF THE DIRECTOR OF
ECONOMIC POLICY

No. 02508-E.
Economics Section

CARACAS, May 14, 1943

MR. CHARGÉ D'AFFAIRES:

Authorized by my Government I have the honor to confirm in this note that as a result of the conversations between your Honorable Embassy on the one

hand and the Minister of Agriculture and Animal Husbandry of the United States of Venezuela and the undersigned on the other, regarding the best way of organizing the development of foodstuffs production in Venezuela, and, consequently, of increasing the commercial and economic relations between the two countries, it has been agreed between the Government of the United States of Venezuela and the Government of the United States of America to execute a plan in accordance with the following clauses:

[For terms of agreement, see numbered paragraphs in U.S. note, above.]

This note and Your Excellency's corresponding reply will constitute a *modus vivendi* for the duration of one year, and it may be extended for one year more by the simple statement of willingness of the Government of the United States of Venezuela.

I avail myself of this opportunity to renew to you, Sir, the assurances of my distinguished consideration.

C. PARRA PÉREZ

The Honorable JOSEPH FLACK,
Chargé d'Affaires ad interim
of the United States of America,
City.